



QUIÑENCO S.A.

**FOR IMMEDIATE RELEASE**

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**Quiñenco Signs Agreement to Acquire Control of Banco de Chile**

December 15, 2000 – Santiago, Chile. Quiñenco S.A. (LQ: NYSE), a leading Chilean business conglomerate, signed an agreement last night to acquire a controlling interest in Banco de Chile, one of the country's largest and most respected financial institutions for US\$541 million.

The agreement was reached between Quiñenco and Banco de Chile's controlling shareholder pact, led by Empresas Penta S.A., Sociedad de Inversiones y Rentas Liguria Limitada, Comercial y Editorial Santiago Limitada, Inversiones Las Arenas S.A. and Consorcio Financiero S.A.

The shares will be acquired through Quiñenco's wholly-owned subsidiary, LQ Inversiones Financieras S.A., as follows: 111,803,411 shares of SM-Chile Series A, 4,142,769,851 shares of SM-Chile Series B, 90,675,932 shares of SM-Chile Series D, 18,215,490 shares of SM-Chile Series E, and 1,469,551,299 shares of Banco de Chile. These shares represent 34.6801% of the outstanding shares of SM-Chile and 36.03034% of the outstanding voting shares of Banco de Chile.

Once this acquisition is completed, Quiñenco, directly and indirectly, will own approximately 46.589% of SM-Chile and 48.315% of the voting shares of Banco de Chile. This operation was previously approved by the Chilean Superintendency of Banks and Financial Institutions which authorized Quiñenco and its subsidiary, LQ Inversiones Financieras, to acquire up to 51% of the outstanding capital of Banco de Chile.

The total cost of the acquisition was UF19,766,052 (equivalent to US\$541.3 million). The terms of the agreement provide for a payment upon closing of UF7,302,705 (equivalent to US\$200 million). The remaining UF12,463,347 (equivalent to US\$341.3 million) will be paid within a period of two years, bearing interest of 8.5% in accordance with the terms of the share purchase agreement which will be executed shortly.

The acquisition cost on a per-share basis is as follows:

Banco de Chile	Ch\$37.15 per share
SM-Chile Series A	Ch\$18.99 per share
SM-Chile Series B	Ch\$60.00 per share
SM-Chile Series D	Ch\$57.76 per share
SM-Chile Series E	Ch\$37.15 per share

Quiñenco will proceed to file the information regarding this transaction with the Chilean Superintendency of Securities and Insurance today.

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